

# **Social Development and Urban Poverty**

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**School of Social Work,  
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# **Social Development and Urban Poverty**

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Workshop held in Harare, Zimbabwe  
22nd – 26th February, 1993**

**edited by Nigel Hall**

## **Urban Poverty and Fieldwork**

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## **“Analysis of the Impact of the Structural Adjustment Programme on Urban Poverty and Social Work Fieldwork in Zambia”**

Gilbert P C Masiye \*

### **Introduction**

This paper analyses the impact of the Structural Adjustment Programme(s) (SAPs) on urban poor and fieldwork in Zambia. Socio-economic analysts have come to terms with the reality that the decade of the 1980s in most African countries, including Zambia, should be considered as one of considerable economic adjustment which has provided difficult economic environments. In some cases the decade is considered a “lost decade” as any socio-economic progress made in the 1960s and early 1970s had been lost and undermined by the unprecedented economic crisis (Osei-Hwedie and Ndulo, 1989). Despite Africa’s abundant natural resources, African countries continue to suffer appalling socio-economic conditions. It is observed that sixteen of the World’s poorest twenty nations are in Africa. The trend towards economic and social disintegration is the stark outline being presented in the 1990s as most African countries approach their third decade of independence amid signs that even modest achievements of the early post-colonial era have been lost. Levy in Times of Zambia March 1, 1993 observed that comparisons with other developing regions, most notably Asia, leave Africa staggering paces behind, despite the continent’s natural resources. Sub-Saharan Africa contributes only 1,5% of the world’s economic output, roughly equivalent to that of Belgium, and accounts for only 1% of world trade. This has occurred over a period when trade has become the motor of development for other developing countries and regions. Hence, to better understand the impact of the structural adjustment programme on Zambia, and in particular the urban poor and social work fieldwork, it is essential to draw attention to certain geographical, historical and political features. In the subsequent section a brief background to these features is given.

### **Background**

Zambia is a large country of 753,000 square kilometres. Its geographical position and the landlocked implications, cannot be divorced from this. Many of its contemporary socio-economic problems are largely attributed to its status. Zambia attained independence earlier than most of its southern African neighbours. A large part of Zambia was surrounded by countries still waging liberation wars from colonial rule. In the North, most of the countries that attained independence, to date, are still unstable. In the last three decades Zambia’s demographic trends have culminated in rapid and increasing rates of population growth.

The population is estimated at eight million with an annual average growth rate of 3,7%. This should be seen as one of the highest in the world. The per capita income is US\$600. The literacy level is almost 45%. With an urban population approaching 50% of the total population, it is already more urban than rural. However, since independence in 1964, attempts through micro-economic policies have been made to reverse the trend, but have not been successful.

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## Zambia's Socio-economic System: An Overview

Integration of the Zambian national economy was one of the major priorities of the new indigenous government. This was especially true given the fact that the inherited colonial structure had been designed to serve foreign interests (policy makers were foreign and the executors were foreign). In other words, Zambia was 'foreign' in almost everything except that it was a territory inhabited largely by Africans who had no responsibility for shaping their own destiny (Chileshe, 1987). This formed the underlying basis for the adoption of the philosophical ideology of humanism in 1967, and the objective of the economic reform process that ensued meant to bring about integration of the national economy. Moving from political independence to socio-economic development was a logical step in the country's history. The old rules governing the country's socio-economic game had to be re-formulated. As Chileshe (1987:90) puts it, what was needed were workable solutions capable of quickly integrating indigenous Zambians into commerce, agriculture and other economic sectors, including the state government itself. As pointed out earlier, Zambia had acquired the political means for correcting the inherited socio-economic imbalance with the attainment of political independence. However, the country's new rulers soon realised that implementing socio-economic changes was an uphill battle.

Thus, the new rulers, while they felt the need to retain some good aspects of capitalism by continuing to attract foreign capital and expertise, decided to adopt the philosophical ideology of humanism in order to redress the socio-economic imbalance. The underlying assumptions of humanism were that socio-economic means were created to serve mankind. As Kaunda (1978) puts it:

*"...this valuation of man and respect for human dignity which is a legacy of our tradition should not be lost in the new Africa. However, 'modern' and 'advanced' in a Western sense this young nation of Zambia may become, we are fiercely determined this humanism will not be obscured. African society has always been Man-centred".*

This may sound quite romantic about the African past, but this formed the basis of socio-economic progress in the post-independence era, and prior to the Structural Adjustment Programme. The state tended to lead rather than follow the private sector. The private sector was tightly controlled, creating what Headey (1978) calls a "socialist market economy". The dual nature of the economy, inherited at independence, with a leading role of the state, had to be diversified, away from the pattern of production, narrowly confined in the urban sector along the rail-line between Livingstone and the Copperbelt towards the rural sector. From the onset of independence, revenues derived from the copper industry constituted the only base for building the country's economy, on the one hand, and for providing social infrastructure, on the other. High copper prices underpinned most of the recorded successes under the First National Development Plan (FNDP) (1966-1970). Similarly, weakening of copper on the London Metal Exchange (LME) during the major part of the Second National Development Plan (SNDP: 1973 -1978) cast a shadow of gloom over many sectors of the Zambian economy. For example, it is noted that the economy grew rapidly during the 1960s with high and rising copper prices providing the basis for buoyant government revenues and expenditures. Massive investments were made in physical and social infrastructure. To underline the importance the government attached to the indigenisation of the economy, much of the foreign-dominated private sector, including the mines and building societies, were nationalised under the Mulungushi Economic Reforms (19th April, 1968 and the Matero Economic Reforms, 1969, respectively). Through the Matero Economic Reform Programme, the government took steps to acquire a major controlling equity share in the country's mining sector. Mineral income indeed helped to finance

some of the country's economic development programmes. In other words, the government was quite conscious of the need to preserve the goose which laid the copper egg. The sectors of the economy, for example industry, were substantially assisted by high protective tariffs, the ending of imports from Southern Rhodesia (now Zimbabwe) after UDI, consumer subsidies and easy access to investment funds. Zambia rapidly became one of the more industrialised nations of Africa, led by the public sector, and financed primarily by copper revenues. As measured by proportional contribution of manufacturing, excluding South Africa, Zambia was the third highest industrialised in Africa after Zimbabwe and Egypt. The government was able to deliver concrete evidence of the benefits of independence – employment growth was strong and sustained until 1974, and real wages in the formal sector rose substantially. Zambia joined the rank of middle-income oil importing countries in Africa (UNDP, 1986).

However, as Chileshe (1987) notes, there have been so many watersheds in Zambia's history that it is quite a task to single out any one event as being the most prominent. Some of the early steps to give the new Zambian state its own identity included stopping denominating the national currency in 'pounds', but in 'Kwacha'. Then came the various economic packages prior to the Economic Structural Adjustment Programme(s) which apart from the Mulungushi (1968) and Matero (1969) Economic Programmes included: Economic Take-Off Programme; Economic Recovery Programme; Growth from Our Own Resources Programme. Hence, it is possible to view the Economic Structural Adjustment Programme in Zambia as a culmination of previous attempts to foster economic growth and help achieve economic development. It is with this background that the subsequent section proceeds to discuss the sources of the Economic Structural Adjustment Programme in Zambia.

### **The Economic Structural Adjustment Programme: Source and Aspects**

The Structural Adjustment Programme in Zambia stemmed from a number of sources. It is noted that in the late 1970s and throughout the 1980s and as recession deepened and revenues tumbled, the government of Zambia found it difficult to reduce spending correspondingly. Budget deficits rose to approximately 20% of Zambia's GDP in 1985, as the government sought to maintain wages and urban living standards, notably through food subsidies. Bardouille (1992) notes that, for Zambia the principal legacy of British colonial rule was an economy geared towards the export of copper and extremely dependent on the performance of developed countries' economies. Along with the mono-economy (based on exports of copper), Zambia also inherited a debt of over K56 million from the colonial government.

In response to the declining performance of its economy, since 1978, Zambia undertook several efforts to redress the situation. In 1978, Zambia turned to International Monetary Fund (IMF) for substantial help and the IMF rescue package meant devaluation of the currency, liberalisation of prices and other fiscal and monetary restraints. This also meant mounting debt-service charges, high inflation and reduced government spending on the social services sector. All these measures were aimed to reduce budget deficits. In spite of all these measures, the economic crisis did not lessen, instead, it grew. As revenues further declined, spending, including that on debt-servicing, increased sharply and thus budget deficits further worsened. This resulted in the introduction of further programmes involving fiscal and monetary restraint efforts, eg deflation, devaluation and the currency was auctioned in October 1985. Thus, between October and May 1987, Zambia undertook the most controversial of such efforts. In the effort of restructuring the economy a number of key markets were liberalised.



In 1986 and 1987, the Zambian government spent more on servicing its external debts than it did on all the wage and salary bills. By May 1987, Zambia's external debt had risen to \$5,1 billion from \$3,5 billion at the end of 1984. Zambia's debt-service ratio rose to 100% of export earnings in 1986. Zambia could not swallow the bitter pill, and in consequence, decided to break from the IMF in 1987. The Donor community responded to the break-up of the relationship with the IMF by withdrawing or reducing aid to Zambia.

This prompted Zambia, again, in 1989, to agree to IMF conditions and opt for the structural adjustment programme (SAP). Under the 1989 agreement, the SAP contained the following components:

- removal of subsidies on food
- removal of subsidies of agricultural inputs
- decontrol of prices
- re-introduction of fee-paying structures in education and health institutions
- increase in interest rates, and
- emphasis on cash crop production.

The rationale behind these measures was that if market forces were granted a greater role in economic management, then the chances for structural adjustment of the economy would be improved. As a specific example, a market-determined foreign exchange rate was introduced to discourage imports (given the inevitable depreciation of the previously over-valued local currency) and at the same time encourage exports. Eventually therefore, more investments were to go into export-oriented industries and into genuine import-substitution industries. As for the existing heavy capital-intensive industries, many of which also depend a lot on imported raw materials, it was expected that they would have to develop local raw materials if they were to survive, because the removal of restricted trade practices now made it possible for cheaper imported alternative goods to be available on the local market.

### **Impact on Vulnerable Groups of the Population**

The human cost of these measures for Zambia have been enormous, resulting in rising hunger, malnutrition, cuts in health and education spending, introduction of service charges, etc. In the midst of such 'stabilisation policies', aimed to reduce the balance of payments and budget deficits, real wages have been declining sharply, and thereby urban poverty and 'immiseration' of the Zambian population has been on the increase. Industrial strikes, pressing for higher wages, have become the order of the day. For instance, a survey of 167 households in selected peri-urban areas in Lusaka in 1986 showed that the SAPs have had a negative impact on the living standards of the urban poor (Bardouille, 1992). In response, the strategies of the households included reduction or elimination of certain foods, eg animal protein; reduction in the number and frequency of meals, loans from employers and friends; supplementing household income through moonlighting and multiplicity of jobs, etc. The result has been a high incidence of malnutrition and high deaths. These observations are confirmed in the 1991 Preliminary Results Report of the Prices and Incomes Commission. The survey was meant to reveal the parameters that characterise the general level of living in Zambia. It examined the anticipated effects of structural adjustment programme policies adopted in late 1989 with a view to yielding an estimated Poverty Datum Line. The results show that progressively large numbers of the middle-income group are joining the ranks of the low-income in real terms.

### **Effects on Social Services**

What this has meant is that, over the years there has been a sharp decrease in public expenditure that has affected the social services sector in particular, resulting in severe cuts on education and health facilities. The reintroduction of school fees and abolition of most boarding secondary schools in urban areas has made education inaccessible to a large number of low-income households who cannot afford the fees or daily transport costs. These economic trends are of great importance for the planning and management of social work fieldwork, hence in the subsequent section there is an analysis of the impact of the Structural Adjustment Programme in this area.

### **The Impact of the Structural Adjustment Programme on Fieldwork**

While recognising that fieldwork has a vital and distinctive contribution to make to the student's development of his capacity for professional action, in recent years the effective implementation of the fieldwork programme has been aggravated by the deepening economic crisis facing Zambia. Over the years resources available for effective implementation have dwindled. Due to insufficient allocation of resources, the Department of Social Development Studies at the University of Zambia over the years has been unable to provide fieldwork for the full length of period as per programme requirement. Under normal situations, the students are required to spend a minimum of 16 weeks in the field, at any level, during the course of one academic year. However, in recent years, the number of weeks has almost been halved, raising a lot of concern in the Department. Most of the time is wasted trying to raise funds from the government. Thus, the Structural Adjustment Programme has had adverse and negative impact on fieldwork provision.

Despite all these problems, the Department of Social Development Studies is restructuring the programme of fieldwork in order to meet the new challenge in the field of social work. The Department was considering appointing a full-time Director of Fieldwork. Among other responsibilities, the Director was to organise placements, involved in fund raising and organise workshops. Fieldwork was to take on new special areas such as AIDS counselling, street children and battered or women in distress. It has been the concern of the Department of Social Development Studies that over the years, the students have been too general in their approach to field projects. It was generally felt that the students should be involved more actively in these new areas. Field projects should be deliberately designed to arouse interest in these special areas. In other words, student interest should be cultivated into undertaking unfamiliar research projects. Thus, in order to make fieldwork more relevant, interesting and effective the following measures will take place:

- (a) Appointment of Director of Fieldwork.
- (b) A fund-raising committee has been formed and this year it is sponsoring four fourth year students under NORAD Funding.
- (c) Orientation Workshop for field placement supervisors.
- (d) Organising scholarships for members of staff to pursue further studies at Masters and PhD levels.
- (e) Carrying out an evaluation of traditional placements, ie in peri-urban areas with a view of establishing their effectiveness.
- (f) Experimenting with the idea of inter-University supervision and weigh the merits and demerits.



## **Conclusion**

The main purpose of this paper has been to show that the current level of living in urban Zambia and the lack of resources for fieldwork cannot be dealt with in isolation from the socioeconomic crisis of the 1970s and 1980s. It has been noted that both external and internal factors have combined and re-inforced each other in explaining Zambia's economic crisis and subsequently lowering the living standard of most urban households and social services, such as education. This also explains the low level of funding towards fieldwork. Educational funding, in particular, fieldwork will have to compete for funds with more productive sectors of the economy.

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